



Safe Orthopaedics announces its 2019 results

- ▶ Revenues for 2019 of 4,7 M€, up 38%
- ▶ Commercial growth for the fourth quarter of 2019, up 52%
- ▶ Operational and technological growth justifying an operating income lower than 1,3 M€ in 2018
- ▶ New technologies ready for launch in 2020
- ▶ Cash-flow of 1,2M€ at end of April

Éragny-sur-Oise, France, April 28 2020, 18h15 CEST – Safe Orthopaedics (FR0013467123 - ALSAF), a company specialized in the design and marketing of ready-to-use technologies for spinal surgeries, delivering the safest treatment of spinal fractures urgently treated, announces its 2019 results, describes its commercial and financial performances and its technological investments for the second semester.

The 2019 Annual Financial Report of Safe Orthopaedics will be available on the website of the Company (www.SafeOrthopaedics.com), under heading Investors > Documentation > Documents and publications, as from April 30 2020.

Major commercial investment in 2019

Thousands of euros – IFRS	31/12/2019	31/12/2018	Growth
Revenues – Direct sales	2 109	2 134	-1%
Revenues – Indirect sales	2 683	1 337	+101%
Total revenues	4 792	3 471	+38%
Cost of goods sold and inventory variation	(3 420)	(1 965)	
External loads	(3 257)	(3 071)	
Personnel expenses	(4 633)	(3 507)	
Other operating charges	(939)	(807)	
Recurring operating income	(7 456)	(5 877)	
Other operating income and charges	8	(272)	
Operating income	(7 449)	(6 150)	
Financial result	-521	350	
Net Income	(7 970)	(5 800)	

The revenue for 2019 amounts to 4 792k€, up +38% thanks to a sales acceleration of 52% during the second semester, mainly related to Japan and thanks to the commercial launch of SteriSpine VA (fracture reduction technology through balloons and cement injection).

Direct sales are driven by commercial growth for Germany and United-Kingdom, respectively +15% (€96k) and +66% (€297k) with sales records 41k€ and 98k€ for the fourth quarter. In France, the revenue amounts to 1 703k€, down by 7%, where the sales direction was replaced beginning of 2020.



Global indirect sales increase sharply, thanks to the investment of the Japanese partner, who received the homologations of SteriSpine PS, LC and CC throughout the year and invested 1.4M€ for the deposit of these technologies. Sales for other global distributors amount to 1.3M€, down by 7%.

The operation income amount to -7,4 M€ in 2019 versus -6,1 M€ in 2018, with an improvement during the second semester, mainly because of the reduction of external loads, allowed by the transfer of the listing of the company from Euronext to Euronext Growth, the change in the governance in September. Moreover, the first semester has been marked by two major investments: a technological investment and the reinforcement of commercial teams.

The increase in cost of goods sold and inventory variation is linked to the accelerated promotional effort of SteriSpine™ VA, the evaluation and the preparation for the commercial launch of SteriSpine PS 2nd Generation, the stockage of some specific products in Japan and the development of a new patented technology for sterile implants, for a better treatment of osteoporotic fractures, completing the SteriSpine™ VA range. The certification and the beginning of surgeries with these products are planned for 2020.

In the same time, the reinforcement of commercial teams (by volume and competence), initiated in late 2018, raise the payroll to 4.6M€, recorded in full year in 2019. Directed by Nikolaus Beyer, 18 representatives and commercial directors are dedicated to the 3 direct markets and, one manager is dedicated to distributors. All are working closely with a team of 4 marketers.

After taking into account a negative financial result of 0,5M€, related essentially to the cost of the funding line, the net income amount of -7,9 M€.

“2019 was against a constructive year for Safe Orthopaedics with the reinforcement of its financial means, the development of SteriSpine PS 2nd Generation, the concretization of sales of the Japanese partnership, and the change in governance through the nomination of new directors, announced on November 26th, 2019.” comments Pierre Dumouchel, Chief Executive Officer of Safe Orthopaedics. *“Thanks to an active innovation policy, the proper sizing of our commercial teams, and partnerships on strategical markets (Japan, USA...), Safe Orthopaedics want to maintain, as in 2019, a strong growth in 2020. Our teams, now confined because of the Covid-19 sanitary crisis, are getting ready for a progressive recovery of surgeries starting mid-May. The Company is thinking of different solutions for commercialization and production, in order to better serve its client and achieve financial balance as quickly as possible”.*

Cash-flow on April 24th, 2020

On April 24th, 2020, the cash-flow of Safe Orthopaedics amounted to 1,2 M€. In July 2019, the Company entered into an investment agreement of 12,45 M€ with Alpha Blue Ocean fund, which remains on schedule. Three exceptional tranches were drawn (“Investor Call”) by the investor on April 2nd and 17th. The funding balance amounts today to 15 tranches of 450k€.

Because of the direct impact of the sanitary crisis on the Company activities, the Company recall the financial measures taken and communicated beginning of April:

- Partial operation for commercial teams and headquarters
- Adjournment of social and fiscal contributions in March 2020
- Quick refund request for the research taxes (Crédit Impôt Recherche and Crédit d’Impôt Innovation)
- Adjournment of credit, leasing and rent maturities by the banking partners and lessors of the Company



- Request of banking funding in the framework of the State Guaranteed Loan.
These measures allow the Group to ensure a dynamic recovery of the activity with the reopening of hospital and clinical services for spine surgeries.

Next financial publications

- Revenues for Q2 2020, Wednesday, July 8th, 2020 (post-market)
- Revenues for Q3 2020, Thursday, October 8h, 2020
- Revenues for 2020, Thursday, January 14th, 2021

À propos de Safe Orthopaedics

Founded in 2010, Safe Orthopaedics is a French medical technology company, a pioneer of the design and marketing of innovative ready-to-use technologies (single-use implants and instruments) for spinal diseases, delivering the safest treatment of spinal fractures. The technologies include sterile implants and ready-to-use instruments available to the surgeon at any time and anywhere, enabling minimally invasive approaches, reducing the risks of cross contamination and infection in the interest of the patient. Protected by 17 patent families, the SteriSpine™ Kits are CE marked, FDA and CFDA approved. Safe Orthopaedics, has its headquarter close to Paris (95610 Eragny-Sur-Oise - France) and has created a subsidiary in the UK, Germany and in the US, employing around 50 employees for a total sales of 4.7M€ in 2019.

For more information : www.SafeOrthopaedics.com

Contacts

Safe Orthopaedics

François-Henri Reynaud
Chief Financial Officer
Tél. : +33 (0)1 34 21 50 00
investors@safeorthopaedics.com



Investor Relations

NewCap
Mathilde Bohin
Tél. : +33 (0)1 44 71 94 94 / SafeOrtho@newcap.eu

Press Relations

Ulysse Communication
Bruno Arabian / 06 87 88 47 26 / barabian@ulyse-communication.com
Nicolas Daniels / 06 63 66 59 22 / ndaniels@ulyse-communication.com